Government of Saskatchewan

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Cattle Market Update

For the Week Ending December 11, 2015

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Dec. 11/2015	Average	$311.90	$281.30	$244.29	$225.60	$212.50	$200.64	$192.60
Dec. 11/2015	Range	300-320	268-299	233-262	217-235	203-219	195-206	187-200
week/week	Change	-$24.90	-$21.28	-$20.34	-$13.65	-$13.63	-$13.36	-$11.15
Dec. 4/2015	Average	$336.80	$302.58	$264.63	$239.25	$226.13	$214.00	$203.75
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Dec. 11/2015	Average	$275.33	$242.00	$216.71	$207.42	$194.93	$184.58	
Dec. 11/2015	Range	263-290	232-251	209-226	197-215	186-205	177-200	
week/week	Change	-$10.09	-$15.83	-$15.12	-$9.53	-$13.57	-$13.59	
Dec. 4/2015	Average	$285.42	$257.83	$231.83	$216.95	$208.50	$198.17	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data. This price set includes all sales from Thursday December 3 to Wednesday December 9.

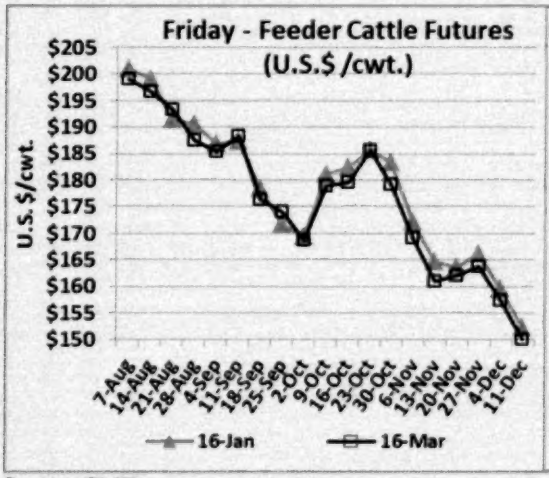
Canfax reported that a total of 26,616 head of cattle were sold in Saskatchewan this week, up slightly from 26,560 head marketed the previous week.

Saskatchewan feeder steer prices were down significantly over the week in the different weight categories. Feeder steer prices declined between $11.15 per cwt and $24.90 per cwt, from the previous week. The light weight 300-400 lb. feeder steer weight category had the largest loss declining $24.90 per cwt. Feeder steer prices overall averaged almost $17 per cwt lower in the different weight categories.

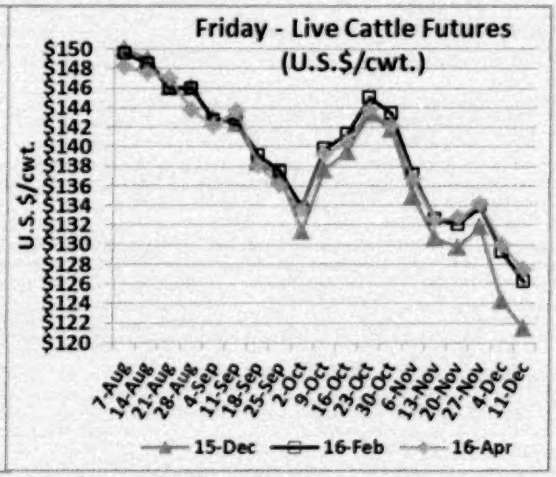
Saskatchewan feeder heifer prices were also lower over the week in the different weight categories. Feeder heifer prices over the week declined between $9.53 per cwt and $15.83 per cwt. The 400-500 lb. feeder heifer weight category had the largest loss declining $15.83 per cwt. On average prices declined almost $13 per cwt lower over the week.

The Saskatchewan 750 lb. feeder steer basis compared to the Dec. 10, 2015, U.S. feeder cattle index at US$157.79 per cwt was calculated at (-$4.33) per cwt (US$157.79/0.7277-$212.50), a basis widening (negative) of $5.21 per cwt from the basis of (+$0.88) per cwt the previous week.

Feeder cattle futures prices were volatile with big losses several days to end the week significantly lower, week-over week. The January 2016 contract declined US$7.325 per cwt to settle Friday at US$152.125 per cwt. The March 2016 contract declined US$7.175 per cwt to settle Friday at US$150.125 per cwt.



Source: CME



Source: CME

Live cattle futures prices were mixed but primarily lower over the week to end lower, week-over-week. The nearby December contract declined US$2.825 per cwt to settle Friday at US$121.450 per cwt, while the February 2016 contract declined US$2.975 per cwt to settle Friday at US$126.250 per cwt.

Iowa cash corn prices moved lower over the week declining five cents to settle Friday at US$3.46 per bushel. U.S. corn futures prices were also lower over the week. The December corn futures contract declined over 3 cents over the week to settle Friday at $3.73 per bushel, while the March 2016 contract declined over 6 cents to settle Friday at $3.75¼ per bushel.

Fed and Non-fed Cattle

	December 11, 2015	December 4, 2015	Change over Week
Steers (Alberta)			
Live	n/a	$158.57	n/a
Rail	n/a	$257-$264.50	n/a
Cows (Alberta)			
D1,2 Live	$100.83	$101.25	-$0.42
D3 Live	$89.60	$89.42	+$0.18
Rail	$198-203	$198-203	n/c

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were mixed but overall steady over the week. For the week ending December 11, the price of D1,2 slaughter cows declined $0.42 per cwt to average $100.83 per cwt, while the price of D3 slaughter cows increased $0.18 per cwt to average $89.60 per cwt.

Fed cattle prices in Western Canada for Alberta fed steers were not reported over the week. Ontario fed steer prices over the week averaged $153.01 per cwt, down $1.25 per cwt from $154.26 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$118.15 per cwt, down US$5.24 per cwt or 4.2 per cent from US$123.39 per cwt the previous week, and down 27.2 per cent from US$162.38 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$187.10 per cwt, down US$6.75 per cwt or 3.5 per cent from US$193.85 per cwt the previous week, and down 26.9 per cent from US$256.12 per cwt the same week a year ago.

Beef production for the week was estimated at 492.1 million lb., up 4.0 per cent from 473.2 million lb. the previous week, and up 4.8 per cent from 469.5 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 581,000 head, up 3.8 per cent from 560,000 head the previous week, and up 2.0 per cent from 570,000 head a year ago. Weights continue to be heavier than a year ago.

Choice beef cutout prices (600-900 lb.) averaged US$203.13 per cwt over the week, down US$1.00 per cwt from US$204.13 per cwt the previous week, and down 18.4 per cent from US$249.05 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On December 9, the USDA released the December World Agricultural Supply and Demand Estimates (WASDE). United States December corn production estimates for 2015/16 were unchanged from November at 169.3 bushels per acre on 80.7 million acres harvested for total U.S. corn production estimates of 13.654 billion bushels. While crop usage was increased from November, lower estimated corn exports have increased estimated ending stocks by 1.4 per cent from November to 1.785 billion bushels. U.S. farm corn price estimates in December were unchanged from November to range between US$3.35 and US$3.95 per bushel for 2015/16.

The USDA WASDE report estimated that United States Red Meat and Poultry production for 2015 will be 94.716 billion lb., a slight decrease from the November estimates, but a 2.8 per cent increase from 2014 production. United States meat production for 2015 is projected to increase for pork (+7.38%), broilers (+4.24%), but decrease for beef (-2.42%) and turkeys (-2.88%), from 2014. Beef production estimates for 2015 were slightly reduced from November as more cattle were kept on feed longer resulting in heavier weights pushing production forward into 2016. Pork production estimates for 2015 were slightly increased from November with higher hog slaughter numbers and record pork production. United States meat production for 2016 is projected to increase 2.7 per cent to 97.284 billion lb. from 2015. Leading the way in meat production increases in 2016 are projected to come from beef (+4.29%) and turkey (+7.51%). (Source: USDA WASDE)

Friday Price Information

Product		This Week (Dec. 11, 2015)	Week of: (Dec. 4, 2015)	Week of: (Dec. 12, 2014)
Canadian Dollar (closing rate US$)		.7277	.7476	.8642
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		157.79	168.40	236.90
Seven-day Weighted Average FC Index Wt. (lb.)		724	724	743
Live Fed 5-area Steer Price (US$ per cwt)		118.15	123.39	162.38
Feed Grains				
Barley	Lethbridge ($/tonne)	214.00	214.00	195.00
	($ per bu.)	4.66	4.66	4.25
Corn	Iowa State Average (CDN$/tonne)*	187.18	184.83	170.83
	(US$ per bu.)	3.46	3.51	3.75
	Omaha, NE (CDN$/tonne)*	198.00	192.21	172.20
	(US$ per bu.)	3.66	3.65	3.78
Futures				
	Dec. Corn (US$ per bu.)	3.73	3.76¼	3.96¼
	March Corn (US$ per bu.)	3.75¼	3.81½	4.07½
	December Live Cattle (US$ per cwt)	121.450	124.275	162.050
	February Live Cattle (US$ per cwt)	126.250	129.225	162.175
	January Feeder Cattle (US$ per cwt)	152.125	159.450	225.600
	March Feeder Cattle (US$ per cwt)	150.125	157.300	221.250

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate (This week it is Thursday's CDN$)

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